weekly economic review

November 30, 2012

Average Weekly Earnings

Alberta earnings edge back; remain highest in the country

Alberta average weekly earnings declined 0.3% in September from August, but came in 4.0% higher than the same month last year. Alberta employees earned an average of $1,085 per week in September, $183 more than the national average.

Year-over-year (y/y) earnings growth continues to outpace consumer price inflation, which has been below 1.5% since April. The goods sector led September's gains at 5.1% y/y, while service sector earnings grew by 3.1% y/y.

Nationally, average weekly earnings also declined in September, shrinking 0.5% to $902.29, though they were 3.4% higher than the same month last year. Only three provinces saw their earnings increase in September on a month-over-month basis.

Rigs Drilling

Drilling activity continues to trend below last year's level

Drilling activity in Alberta remained below last year's level in November for the sixth straight month. The number of active rigs was 258, down 21.8% compared to the same month last year. Over the first eleven months of 2012, rigs drilling has fallen 12.2% compared with the same period last year. The lower rig counts this year in large part reflects continued weakness in natural gas activity.

Farm Cash Receipts

Alberta farm receipts post another year-over-year gain

Farm cash receipts continued their upward trend, posting the eighth consecutive year-over-year gain in the third quarter. Alberta farm cash receipts were $2.6 billion in the third quarter of 2012, up a solid 8.8% from the same quarter last year. Growth was fairly broad-based with both crop and livestock & livestock product receipts expanding.

Over the first three quarters of 2012, Alberta receipts are up an impressive 15.0% compared to the same period last year, led by higher crop sales (+23.3%).

US Economy

Growth revised up; beats expectations

Third quarter US real GDP was revised up 0.7 percentage points to 2.7%*. The upward revision was mostly due to higher inventories, which are notoriously voalitle, as well as a positive adjustment to goods exports. These revisions were partially offset by personal consumption expenditures, which were adjusted lower.

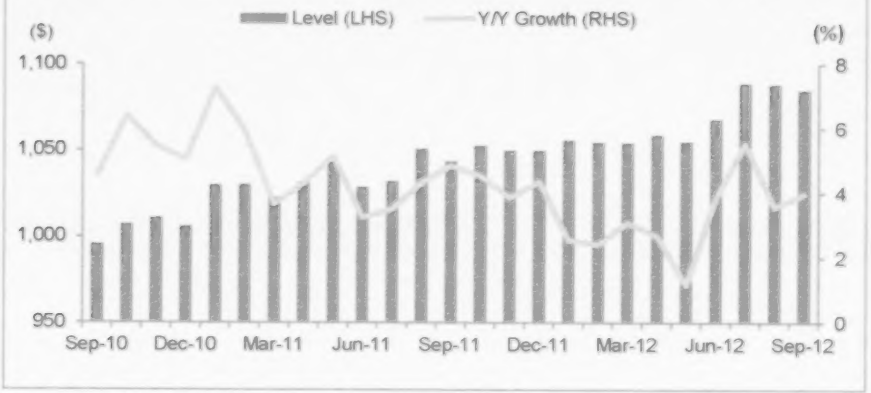
Canadian Economy

Growth slows to a crawl

Canadian real GDP growth slowed for the fourth consecutive quarter in 2012Q3, falling to 0.6% from 1.7% in 2012Q2* . The weak growth was mainly due to exports, which declined by the largest drop in more than three years (-7.8%). Exports of energy products and consumer goods were mainly to blame for the weak export numbers. In addition to exports, GDP growth was also pulled down by business fixed investment (-2.2%) and residential investment (-3.5%). Positive overall growth was made possible by increases in household consumption expenditure (+3.8%) and inventory investment.

*quarter-over-quarter percent change measured at annual rate.

Alberta Average Weekly Earnings



Source: Statistics Canada

Closing Prices	November 21, 2012	November 29, 2012	2012–13 Fiscal YTD
Canadian Dollar (US¢/$CAN)	100.20	100.73	99.99
WTI Oil ($US/bbl)	$87.38	$88.07	91.61
NYMEX Natural Gas ($US/MMBtu)	$3.90	$3.65	$2.86

Alberta Economic Indicators[1]

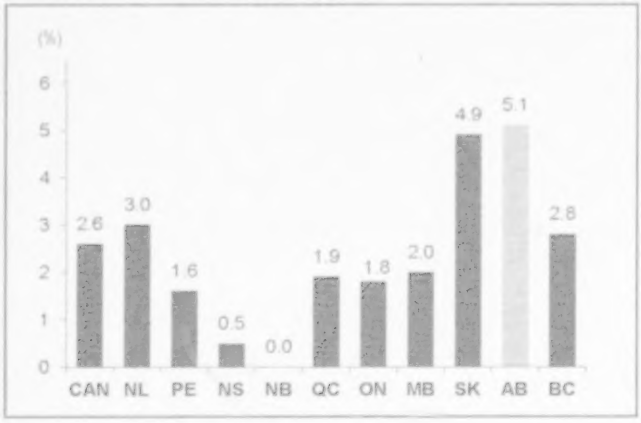
Population	2010	2011	2012YTD	Jun	Jul	Aug	Sep	Oct	Nov
Population[2] (000s)	3,724	3,776	3,874		3,874				
% change	1.4	1.5	2.5		2.5				
Net Interprovincial Migration[3] (level)	-3,231	8,443	28,170		2,544				
Net International Migration[3] (level)	24,100	16,703	37,990		14,546				
Net Non-permanent Residents[3] (level)	14	-7,604	9,727		5,244				
Labour Market									
Employment (000's), SA	2,017	2,094	2,146	2,144	2,153	2,154	2,156	2,161	
% change	0.4	3.8	2.6	2.7	2.2	2.1	1.8	1.7	
Unemployment Rate (%), SA	6.5	5.4	4.7	4.6	4.6	4.4	4.4	4.5	
Participation Rate (%), SA	72.0	73.7	73.5	73.3	73.3	73.2	73.1	73.1	
NEW: Average Weekly Earnings ($), SA	993.28	1,038.69	1,067.76	1,068.00	1,068.93	1,066.45	1066.82		
% change	4.6	4.6	3.7	3.9	5.6	3.6	4.0		
Price Indices									
Consumer Price Index	1.0	2.4	1.3	1.3	0.9	1.0	1.4	0.6	
Excluding food and energy	0.8	0.6	1.4	1.6	1.4	1.4	1.1	1.2	
Non-Res. Building Cons. Price Index[4]	-0.1	3.4	4.1	4.1			3.5		
Farm Product Price Index	-1.8	17.4	6.3	5					
Crops	-9.6	18.0	-2.1	1.4					
Livestock	5.7	16.8	9.6	12.6					
Household Sector									
Housing Starts (SAAR, 000's)	27.1	25.7	33.0	33.9	30.3	29.3	33.1	33.1	
% change	33.5	-5.1	35.5	45.5	31.5	4.0	36.6	-0.3	
New Housing Price Index[4]	0.5	0.4	1.1	1.2	1.5	1.0	1.6		
Edmonton	0.8	0.9	0.9	0.8	0.8	0.9	1.2		
Calgary	1.7	0.1	1.3	1.7	2.3	2.4	2.3		
MLS Average Resale Prices ($ 000's)	350.9	352.7	361.0	360.5	363.1	361.9	361.6	360.2	
% change	3.1	0.5	2.1	2.7	3.2	3.6	0.2	4.8	
Edmonton ($ 000's)	326.5	324.2	331.8	332.3	331.8	334.0	334.2	334.1	
% change	2.3	-0.7	2.3	3.1	1.2	2.9	2.2	2.3	
Calgary ($ 000's)	397.4	401.9	408.4	410.2	411.5	410.9	410.2	423.6	
% change	3.4	1.1	1.3	2.3	3.1	1.8	0.0	3.5	
Retail Sales, SA	6.0	6.9	8.9	7.1	9.6	8.5	8.5		
New Motor Vehicle Sales	9.5	9.6	12.8	5.8	10.8	9.0	16.7		
NEW: Consumer Bankruptcies (level)	8,150	7,029	4,504	484	469	454	421		
% change	-18.4	-13.8	-17.4	-25.4	-8.4	-23.1	-19.4		
Business Sector									
NEW: Rig Drilling (level)	207	266	246	139	196	225	229	236	250
% change	66.1	30.4	12.2	7.8	-17.5	30.9	34.7	29.6	-21.6
Goods Exports (customs based)	12.6	18.5	4.1	1.1	0.6	-8.6	9.0		
Energy	17.1	19.4	5.4	1.9	2.3	-11.0	8.3		
Farm, Fishing and Intermediate Food	15.9	27.2	15.7	-11.5	10.9	21.5	19.1		
NEW: Total Farm Cash Receipts (quarterly)	-3.7	15.2	15.0	8.4			8.9		
Manufacturing Shipments, SA	11.2	18.0	8.8	4.8	6.7	5.9	1.9		
Wholesale Trade, SA	8.5	15.0	13.6	10.7	12.6	9.7	7.4		
Building Permits, SA	1.3	11.8	12.3	12.5	0.1	11.0	0.4		
Residential	22.4	5.2	18.5	14.6	1.3	30.2	7.2		
Non-residential	18.3	20.9	4.9	11.5	-1.5	-10.4	-9.2		
NEW: Business Bankruptcies (level)	378	364	181	22	16	10	21		
% change	-6.7	-30.2	-8.1	37.5	-6.7	-61.5	5.7		

[1]Y/Y (year-to-date) represents the change since the beginning of the year compared to the same period in the previous year. "SA" denotes seasonally adjusted.
[2]Unless otherwise indicated, all figures are year-over-year percentage change and not seasonally adjusted.
[3]Quarterly, annual numbers are presented on a census year basis (July 1 – June 30).
[4]Quarterly, average of Calgary and Edmonton.
[5]Average of Calgary and Edmonton.

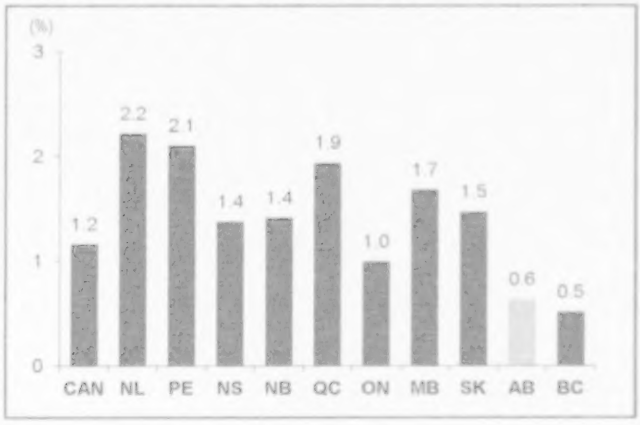
Sources: All data is from Statistics Canada except Housing Starts (Canada Mortgage and Housing Corporation), MLS Average Resale Prices (Canadian Real Estate Association), Rig Drilling (Canadian Association of Oilwell Drilling Contractors) and Bankruptcies (Office of the Superintendent of Bankruptcy Canada).

Economic Indicators by Province

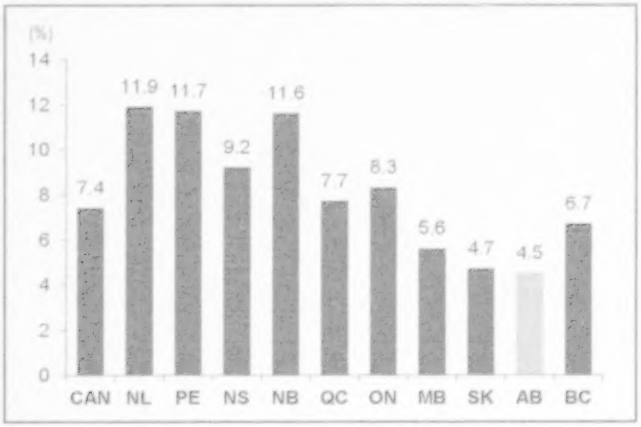
Real GDP Growth by Expenditure
(2011, year-over-year growth)



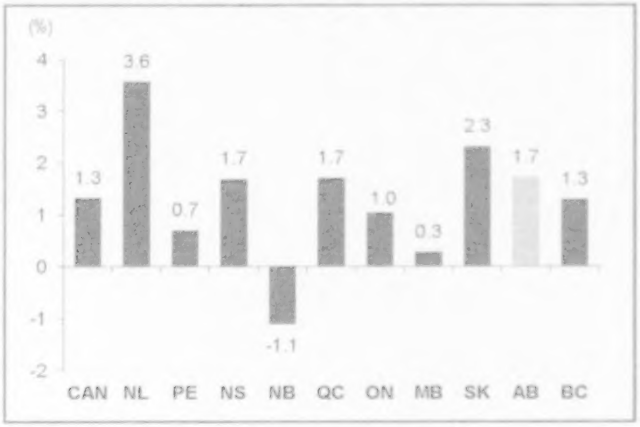
CPI Inflation
(October 2012, year-over-year growth in CPI)



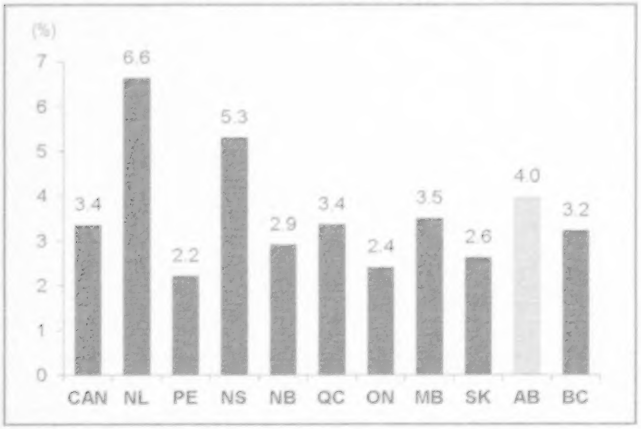
Unemployment Rate
(October 2012)



Employment
(October 2012, year-over-year growth)



Average Weekly Earnings
(September 2012, year-over-year growth)



Housing Starts
(October 2012, SAAR, year-over-year growth)